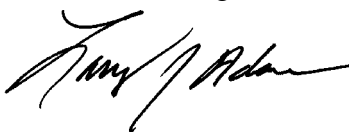


UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency  
Washington, DC 20250

<b>Livestock Programs 4-DAP (Revision 1)</b>	<b>Amendment 19</b>
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**Approved by:** Acting Deputy Administrator, Farm Programs



**Amendment Transmittal**

**A Proof and Reasonableness of Livestock Inventory for Livestock Indemnity Program When Applicants Cannot Provide Proof of Death**

When a LIP applicant cannot provide proof of death of livestock according to subparagraph 451 D, the applicant must provide verifiable documentation of their livestock inventory at the time the deaths occurred according to subparagraphs 451 E and F. The livestock inventory is used to determine whether the claimed losses are reasonable and is critical to ensuring the integrity of the program.

Initial reviews conducted by OIG have discovered that some LIP applicants are using, as evidence of their livestock inventory at the time the deaths occurred, their:

- own FIP application
- 2002 LCP application, 2003/2004 LAP application, or other previous FSA livestock program application for 2005 deaths.

Subparagraph 451 F, provides a list of documents that may provide evidence of livestock inventory. One of the documents listed in subparagraph 451 F is other FSA livestock program documents, such as LAP applications.

Previous FSA livestock program documents were included as acceptable evidence of livestock inventory because the livestock data provided on those documents were subject to spotcheck by FSA. Livestock data provided on FIP applications has **not** yet been subject to spotcheck. Therefore, FIP applications were **not** intended to be included in subparagraph 451 F, and shall **not** be used as evidence of a LIP applicant's livestock inventory.

In addition, because the FSA livestock program documents that may be available in the counties eligible for LIP would reflect livestock inventories from many years before the time the deaths occurred in 2005, such documents **cannot** be used as the **only** source of evidence of livestock inventory for LIP. However, the previous FSA livestock program documents may be used as a starting point in combination with other verifiable evidence.

## Amendment Transmittal (Continued)

### B Reasons for Amendment

Subparagraph 451 F has been amended to:

- provide that LIP applicants shall **not** use their FIP application as verifiable evidence of livestock inventory at the time the deaths occurred
- clarify that previous FSA livestock program documents shall **not** be used as the **only** source of evidence of livestock inventory at the time the deaths occurred.

Page Control Chart		
TC	Text	Exhibit
	9-59, 9-60 9-60.5, 9-60.6 (add)	

**\*--451 Applying for Benefits (Continued)****E Third Party Certifications (Continued)**

Mike Green, Mrs. Doe's neighbor, provides a written signed and dated statement, including his telephone number and address, certifying that he has knowledge of the livestock deaths claimed by Mrs. Doe because his cattle are located in the pasture adjacent to Mrs. Doe's, and he witnessed the flash flood cover the area, and cattle being drowned before they could be safely rescued. After reviewing FSA-573, Mr. Green certifies he believes the information provided on FSA-573 is true and correct.

COC reviews Mrs. Doe's FSA-573 for 2005 Hurricanes LIP, certification statements provided by Mrs. Doe and Mr. Green, and the documents provided by Mrs. Doe to support the beginning inventory numbers. Based on the information provided, COC requests Mrs. Doe contact the local livestock auction company where the beef cows were purchased and request a copy of the purchase report or receipts.

After obtaining a purchase report from the local auction company indicating Mrs. Doe did purchase 7 beef cows in May 2003, COC determines the evidence of livestock inventory at time of the livestock deaths, and claimed livestock deaths are reasonable based on the information provided and according to subparagraph F.

The COC initials and dates the certification statements provided by Mrs. Doe and Mr. Green, and documents the review in the COC meeting minutes during the meeting in which Mrs. Doe's application is approved by COC.

**Note:** Livestock contract growers must provide a copy of their grower contracts.--\*

## 451 Applying for Benefits (Continued)

**F Proof and Reasonableness of Livestock Inventory (Continued)**

Livestock owners and livestock contract growers that cannot provide any proof of death according to subparagraph D must provide verifiable documentation of their livestock inventory at the time the deaths occurred according to this subparagraph.

\*--Documents that may provide verifiable evidence of livestock inventory include, but are--\* **not** limited to, any or a combination of the following:

- veterinary records
- loan records
- bank statements
- IRS inventory records
- property tax records
- sales and purchase receipts
- private insurance documents
- \*--previous FSA livestock program documents, such as LAP applications, that have been subject to spot check.

**Important:** FIP applications shall **not** be used as verifiable evidence of livestock inventory at the time the deaths occurred.

Previous FSA livestock program documents that were subject to spot check, such as LAP applications:

- may provide the number of certain animal types that may be used as a starting point for determining the livestock inventory at the time the deaths occurred
- shall **not** be used as the **only** source of evidence of livestock inventory at the time the deaths occurred in 2005.--\*

## 451 Applying for Benefits (Continued)

**F Proof and Reasonableness of Livestock Inventory (Continued)**

**\*--Example:** John Brown certified to 125 head of adult beef cows on his FSA approved 2003 LAP application. The 125 head of adult beef cows certified on the 2003 LAP application may be used in combination with purchase and sales reports, birth and death records, and other verifiable documents providing evidence of beef cattle for Mr. Brown to determine the beef cattle inventory at the time the deaths occurred. However, the 2003 LAP application data by itself is **not** sufficient evidence of livestock inventory at the time the deaths occurred in 2005.

**Note:** None of the documents listed in this subparagraph, by themselves, may be sufficient evidence to determine the reasonableness of the number of livestock in inventory at the time the deaths occurred. COC shall ensure the documents submitted by the producer provide verifiable evidence that supports the reasonableness of the number of livestock inventory at the time the deaths occurred, as certified by the applicant.--\*

COC shall determine the reasonableness of the livestock inventory and claimed losses using the following guidelines, when appropriate, for calving, farrowing, and kidding:

- 90 percent calving rate
- 103 to 105 percent for sheep
- 150 to 180 percent kidding rate
- 8.5 pigs per litter farrowing rate.

**Example:** A producer reports a livestock inventory of 150 beef cows, 5 beef bulls, and 155 beef calves at the time the deaths occurred. The normal calving rate would yield 135 (150 times 90 percent) calves. Based on the normal calving rate, 155 calves for 150 cows does not appear reasonable. COC should question the livestock inventory if it is not supported by verifiable documentation.

